9-16-1975

Congressional Record S. 15956 - Crime Control, Compensation for Victims of Crime

Mike Mansfield 1903-2001

COPY

Prepared by Senator Mike Mansfield at the request of
William James for the Great Falls Tribune

October 3, 1975

With no prospect for an end to the energy shortage in the foreseeable future, Congress is faced with a growing number of proposals aimed toward overcoming immediate supply problems by increasing the development of domestic energy sources. Energy producing areas of this nation, such as Montana and other states of the Northern Great Plains, will feel the full impact of this type legislation. Thus, it is incumbent on the Congress to examine closely each specific proposal to assure its compatibility with the aspirations of the people within the capabilities of our natural resources.

One such proposal involves construction of coal slurry pipelines. Proposals now pending before the Congress would amend the Mineral Leasing Act of 1920 to include coal pipelines among those pipelines granted rights-of-way across Federal lands. It would authorize use of the power of eminent domain to obtain rights-of-way across private lands.

The technology of slurry pipelines consists of grinding the coal or other material to powder of sufficiently fine consistency to mix well with water, mixing the powder in approximately equal portions with water, and pumping it through the pipeline. At the receiving end after the coal is separated from the water, it can be burned directly for thermal electric generation. The technology involved is neither new nor revolutionary.

In 1973, a California firm announced plans for a 1,030 mile coal slurry pipeline to run from the Gillette, Wyoming, area to Pine Bluff, Arkansas. The pipeline capacity would be approximately 25 million tons of coal per year. Four smaller slurry pipelines are in the planning stages.

Construction of coal slurry pipelines will impact most severely two basics in Montana and the western states--water and the railroads.

Significant interbasin transfers of water will be required to operate coal slurry pipelines. The Wyoming project, for example, needs 15,000 to 20,000 acre-feet of water per year (approximately six billion gallons of water). This water would be transferred from the water-deficient Yellowstone Basin to the water-rich Arkansas Basin. Suggestions have been made that water for the pipeline could be pumped back from Arkansas in a parallel pipeline; however, the increased cost of such an operation would not compare with present or expected future railroad transport rates.

The Wyoming project proposes to tap a major aquifer known as the Madison Formation, taking Wyoming groundwater near the borders of South Dakota and Nebraska where good potable water for domestic and agricultural use is extremely scarce. This groundwater migrates between eastern Wyoming and the surrounding States of Montana, South Dakota, and Nebraska.

There is presently no regulation of the possible impairment of water supplies of adjoining states by Wyoming's decision to authorize a tap of this source. Before serious consideration is given to coal slurry pipeline potentials, there must be comprehensive study of the water capabilities of the Madison Formation. It is a massive body of water, but without knowing more precisely its size, its recharge capacity, and determining the needs for the region it potentially serves, Congress should not respond to legislation facilitating extraction of significant quantities of this water.

Increases in coal traffic are providing timely and necessary financial nourishment to existing U. S. railroads and offsetting to some extent commodity and general merchandise trafficelost in recent decades to government-built highways and waterways. Congressional action to facilitate construction of coal slurry pipelines could be operating at cross purposes with Congressional efforts to improve rail systems throughout the Nation.

Slurry pipeline construction will affect the railroads ability to finance improvements in the rail system. Basic operational capacity is no obstacle, for the railroads maintain that one double track main line, properly signalled, could handle the entire predicted 1985 Fort Union production. Regardless of construction of slurry pipelines, the railroads must finance road and equipment improvements. Whether there will be an appropriate return on these interrelated investments depends heavily on the railroads ability to realize anticipated economies of scale. That, in turn, depends on whether the volume of traffic increases as predicted. If the "cream skimming" of the pipelines causes the railroads anticipated volume to drop by anything like 25 million tons of coal, the profitability of the entire rail service will be weakened.

Whether or not the pipeline is constructed, the railroads will still be there, but it will be necessary for them to apportion a larger share of the fixed costs of maintaining the rail plant over a smaller body of traffic. This could mean increased freight rates for wheat and other Montana exports.

Railroads are true common carriers. It is the railroads which must meet the diverse coal delivery needs of electric utilities which are widely scattered. The railroads as public service companies serve the small coal operator, the shippers of ore, stone, aggregates, sand, sugar beets, grain, lumber, and other bulk commodities.

Pipelines, whether called common carriers or not, are, in fact, specialty haulers which serve a single large specialized market for coal. Pipelines may prejudice the ability of the railroads to provide true common carrier service at a reasonable rate to electric utilities and consumers which are not so fortunate as to be situated on a coal slurry line. With a major portion of the coal traffic lost to slurry pipelines, a reduction in traffic may leave railroad customers with the very real prospect of wholesale abandonments of lines no longer economically viable.

Coal slurry pipelines are capital intensive while railroads are labor intensive. The employment aspects of this comparison cannot be forgotten.

Congress must carefully consider the coal slurry pipeline legislation. Its impact on the electric consumer, the unserved electric utility, employment, our water resources, and the nation's railroads must be accurately assessed. While there is in the short-term intense interest in the coal fields of Montana and the West, it is imperative that short-term energy alternatives not adversely affect longer-term agricultural and social economics in Montana or the West.